

# **MINUTES OF THE BOARD OF TRUSTEES CITY OF CINCINNATI RETIREMENT SYSTEM March 6, 2003**

The Chairperson called the meeting to order at 1:30 p.m. with the following members present:

John Bowling  
Joe Harrison  
Valerie Lemmie, City Manager  
V. Daniel Radford, Chairperson  
Ely Ryder  
Ed Volpe  
Minette Cooper (proxy for Mayor Charlie Luken) arrived at 1:50 p.m.

Member's Absent:  
William Moller, Secretary  
Paula Taylor  
John Cranley  
Michael Rachford

Mr. Radford called for a motion to approve the minutes of the February 6, 2003 meeting. The motion was made by Ms. Lemmie, seconded by Mr. Harrison and carried; the minutes were approved as prepared by the Secretary.

## **BENEFITS COMMITTEE**

Mr. Harrison reported that Benefits Committee met on February 27, 2003. Mr. Harrison gave the following report.

1. Application for Ordinary Retirement March 1, 2003: Total – 18

<b>No.</b>	<b>NAME</b>	<b>DEPARTMENT</b>
29978	Paul Hartkemeyer	RCC
30712	Riose Mary Hill	University of Cincinnati
31098	Roland Docter	Transportation & Engineering
33215	Hugh Frost	Law
35859	Michael Surber	MSD
37594	James Scott	MSD
37774	John Hemmerle	RCC
38758	Eugene Martin	MSD
38760	Robert Babbs	MSD
39907	Ray Christopher	MSD
39714	Robert Johnstone	Law
41407	Thomas McMahon	Water Works
41793	Peter Gillon	Community Development
42406	Kent Schmogrow	Buildings & Inspections
43051	Russell Penny	University of Cincinnati
44607	Carolyn Todd	University Hospital
45010	Larry Davis	Public Services
48702	Judith Messer	Public Services

2. Application for Retirement Death Benefits: Total - 7

Mr. Harrison indicated that the Benefits Committee met with Chuck Haas (City of Cincinnati Risk Manager) to discuss the new HIPA regulations. Mr. Ryder commented that a review of the disability retirement procedures should be conducted in light of the new HIPA regulations.

The Benefits Committee also reviewed the format of the member statements that were prepared by the retirement staff, and Mr. Harrison indicated that they were pleased with the format.

Mr. Harrison moved that the Board accept the report of the Benefits Committee. The motion was made by Ms. Lemmie, seconded by Mr. Radford and carried by the Board.

## **INVESTMENT COMMITTEE**

Mr. Radford reported that the Investment Committee would be meeting on March 7, 2003, with prospective international equity managers. The Investment Committee will be meeting at 8:30 a.m. to approximately 3:30 p.m. to interview current international manager Scudder Kemper as well as six other international managers for potential investment assignments.

The retirement staff reported that the agreement with PCA/EFI to conduct the asset/liability study has been approved by the Law Department, and the staff is in the process of obtaining the required signatures. It is anticipated that the signed agreements will be forwarded to PCA/EFI within the next five to seven days.

Ms. Lemmie asked if our investment managers have been providing any forecasts on the direction of the stock markets. Mr. Bowling commented the general opinion of the investment community is that the market is being depressed by the potential war situation in Iraq, and that they expect an increase in the market once the war situation is resolved.

Mr. Radford reported that as of January 31, 2003, the actual asset allocation of the portfolio is within range of the target asset allocation.

## **SECRETARY'S REPORT**

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 41
2. Resolution for Return of Contributions –Total: 32 Amount: \$140,409.34
3. Resolution for Loans to Members – Total: 33 Amount: \$322,153.64
4. Report on Deaths of Pensioned Members – Total: 19
5. Report on Military Service Credit prior to Membership – Total: 4

The Secretary submitted the following vouchers for payment:

<b>PAYEE</b>	<b>AMOUNT</b>
Benefits Communications & Technology Institute – Registration fee for Conference for Paula Taylor, April 14-16, 2003 Las Vegas, Nevada	\$855.00
City of Cincinnati Printing Services – Postage & Printing Services for Jan. 2003	\$4,766.94
City of Cincinnati Division of Stores – Billing for Stores items for Jan 2003	\$217.58
All Star Personnel Inc. – Temporary Personnel Services	\$1,379.10
ABS Business Products Inc. – Monthly rental for copier	\$238.50

Mae Consulting Inc. – Professional Services/Software consulting	\$3,569.00
City of Cincinnati – Building Permit	\$522.95
Mercer Human Resource Consulting – Professional services rendered in January 2003.	\$2,865.00
All Star Personnel Inc. – Temporary Personnel Services	\$1,263.79
Paul T. Hogya, MD – Disability Exams for M. Webb & N. Ayers	\$800.00
City of Cincinnati Communications Technology Services – Telephone Services for January 2003	\$337.71
Mercer Resource Consulting – For Professional Services rendered in January 2003	\$7,658.00
Communique Productions – Project #1044M	\$109.00
All Star Personnel Inc. – Temporary Personnel Services	\$1,543.97
Business Information Solutions, Inc. – Storage of CRS files	\$281.08
Squire Sanders & Dempsey, LLP – Professional services rendered	\$432.91
Paul T. Hogya, MD – Disability Exam no-show fee	\$50.00
City of Cincinnati Printing Services – Postage & Printing charges for February 2003	\$4,718.06
All Star Personnel Inc. – Temporary Personnel Services	\$1,600.21
Sharon Gallina – Reimbursement for Office supplies	\$6.91
Ohio Police & Fire Pension Fund – Correction of Payroll deduction error	\$276.75

The Secretary reported that at the close of business, February 28, 2003, there was in the Treasury, to the credit of the Retirement System \$2,259,197.49.

**Asset Valuation:**

- December 31, 2002: \$1.99 billion
- January 31, 2003: \$1.95 billion
- YTD Increase (Decrease): (2.04%)

**Current Asset Allocation: (Policy Objective)**

- Domestic Equity: 51.6% (50%)
- International: 12.8% (13.5%)
- Fixed Income: 34.2% (33.5%)
- Alternative Assets/Treasury Cash: 1.4% (3%)

## **OTHER BUSINESS**

Mr. Fink reported that the retirement staff has been working on the corporate governance issues, and Mr. Fink indicated that there are companies that provide comprehensive proxy voting directions to support good governance. The retirement staff will continue to research this issue and try to have more information available at the May Board meeting.

Mr. Radford commented that he would like to see a Board retreat put together so members could have the opportunity to attend educational presentations from outside speakers as well as discuss issues, exchange ideas, etc. Mr. Fink stated that some preliminary work has been conducted on putting together a Board retreat, and that the staff is targeting a Friday in May or June for this retreat. Mr. Fink also indicated that it would be helpful if the Board members could provide him with some suggestions on topics of interest, potential speakers, etc.

Mr. Ryder suggested that the new HIIPA regulations and their impact on the Board rules regarding disabilities be included as pending business on future board agendas.

## **ADJOURNMENT**

Upon request of Mr. Radford for motion to adjourn, a motion was made by Mr. Harrison, seconded by Ms. Lemmie and carried. The meeting adjourned at 2:15 p.m.